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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/766,551	01/28/2004	Gregory C. Jensen	SAFL/24	3110
26875 7590 07/03/2008 WOOD, HERRON & EVANS, LLP 2700 CAREW TOWER 441 VINE STREET CINCINNATI, OH 45202				
EXAMINER				
COPPOLA, JACOB C				
ART UNIT		PAPER NUMBER		
3621				
MAIL DATE		DELIVERY MODE		
07/03/2008		PAPER		

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

# Office Action Summary

**Application No.**

10/766,551

**Applicant(s)**

JENSEN ET AL.

**Examiner**

JACOB C. COPPOLA

**Art Unit**

3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 28 January 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-67 is/are pending in the application.
- 4a) Of the above claim(s) 40-67 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-39 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 28 January 2004 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☒ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- ☒ Notice of References Cited (PTO-892)
- ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- ☒ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date 11 June 2004, 12 July 2004, 05 November 2004, 05 July 2005, and 27 February 2007.
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date: \_\_\_\_\_
- ☐ Notice of Informal Patent Application
- ☐ Other: \_\_\_\_\_



## **DETAILED ACTION**

### **Acknowledgements**

1. This action is in reply to the application filed on 28 January 2004.
2. Claims 1-67 are currently pending and have been examined.
3. All references to the capitalized versions of "Applicants" refer specifically to the Applicants of record. Any references to lower case versions of "applicant" or "applicants" refer to any or all patent "applicants." Unless expressly noted otherwise, references to "Examiner" refers to the Examiner of record while reference to or use of the lower case version of "examiner" or "examiners" refers to examiner(s) generally. The notations in this paragraph apply to this Office Action and any future office action(s) as well.
4. This Office Action is given Paper No. 20080628. This Paper No. is for reference purposes only.

### **Election/Restriction**

5. Restriction to one of the following inventions is required under 35 U.S.C. 121:
  - I. Claims 1-39, drawn to a transaction verification method, classified in class 705, subclass 75.
  - II. Claims 40-67, drawn to an apparatus for user authentication, classified in class 705, subclass 67.
6. Inventions I and II are related as process and apparatus for its practice. The inventions are distinct if it can be shown that either: (1) the process as claimed can be

practiced by another and materially different apparatus or by hand, or (2) the apparatus as claimed can be used to practice another and materially different process. (MPEP § 806.05(e)). In this case the apparatus as claimed can be used to practice another materially different process such as the process of claim 1 without the step of "communicating verification... for which verification is requested".

7. During a telephone conversation with Kirk Grossman on 10 June 2008 a provisional election was made with traverse to prosecute the invention of Group I, claims 1-39. Affirmation of this election must be made by applicant in replying to this Office action. Claims 40-67 are withdrawn from further consideration by the examiner, 37 CFR 1.142(b), as being drawn to a non-elected invention.

#### **Information Disclosure Statement**

8. The Information Disclosure Statements filed 11 June 2004, 12 July 2004, 05 November 2004, 05 July 2005, and 27 February 2007 have been considered. Initialed copies of the Form 1449 are enclosed herewith.

#### **Claim Rejections - 35 USC § 101**

9. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

10. Claims 1-39 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

11. **As per claims 1-39**, based on Supreme Court precedent<sup>1</sup> and recent Federal Circuit decisions, a §101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing<sup>2</sup>. Neither of these requirements is met by the claims because the claimed steps of communication are not tied to another statutory class. Therefore, the claimed method is not a patent eligible process under § 101.

#### **Claim Rejections - 35 USC § 112, 2<sup>nd</sup> Paragraph**

12. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

13. Claims 24 and 31 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

14. **As per claim 24**, this claim recites "provide the remote *identification data* to the identifying device without providing an *ID*". This claim is indefinite because one of ordinary skill in the art would not understand how identification differs from an ID. For prior art purposes only, the Examiner will interpret "provide the remote *identification*

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<sup>1</sup> *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)

<sup>2</sup> The Supreme Court recognized that this test is not necessarily fixed or permanent and may evolve with technological advances; *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972)

*data* to the identifying device without providing an *ID*" to mean that something other than a traditional "ID" number, password, or PIN is provided.

15. **As per claim 31**, this claim recites "storing remote identification data as updated stored authentication data in response to a sufficient match". This claim is indefinite because one of ordinary skill in the art would not understand how the "remote identification data" constitutes an "update" if it matches the already stored authentication data. For Prior Art purposes only, the Examiner will interpret this limitation to mean that the stored authentication data remains stored if there is a match.

16. The Examiner finds that because the claims are indefinite under 35 U.S.C. §112, 2<sup>nd</sup> paragraph, it is impossible to properly construe claim scope at this time. However, in accordance with MPEP §2173.06 and the USPTO's policy of trying to advance prosecution by providing art rejections even though these claims are indefinite, the claims are construed and the prior art is applied as much as practically possible.

#### **Claim Rejections - 35 USC § 103**

17. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

18. Claims 1-6, 8-10, 13-15, 17-22, 24, 25, 28-31 are rejected under 35 U.S.C.

103(a) as being unpatentable over Kirkland et al. (U.S. 2004/0254568 A1) ("Kirkland"), in view of McClain (U.S. 2004/0097217 A1) ("McClain").

19. **As per claims 1, and 32-39**, Kirkland discloses *a transaction verification method wherein a user has a user account with identifying data unique to that user account* (see at least abstract). Additionally, Kirkland discloses the limitations:

- a. *communicating identifying data unique to a user account to a transaction terminal to authorize a transaction for that user account* ("the person swipes their credit card through a magnetic stripe reader at the point of sale (POS) device") (see ¶ 0083);
- b. *communicating a request for verification of the user account* ("a transaction authorization request") *to a processing system* (verification server **730**), *the processing system including access to stored authentication data* (identity profile database **740**) *and to identifying devices* (mobile device **750** and/or notification device **760**) *for a plurality of user accounts* (see ¶ 0083, figure 7 and associated text);
- c. *communicating a request for remote identification data* ("a request for location information") *to an identifying device associated with the user account* (mobile device **750**) *for which verification is requested* (see ¶ 0085); and
- d. *communicating verification to the transaction terminal* ("a response... indicating whether the transaction is approved or not") (see ¶ 0090)



As shown, Kirkland discloses communicating verification to the transaction terminal; however, Kirkland's disclosure does not teach verification based on the conditional limitations:

- e. *if remote identification data is communicated from the identifying device which sufficiently matches the stored authentication data associated with the user account for which verification is requested.*

However, McClain also teaches the limitations:

- f. *communicating verification to the transaction terminal* (see ¶ 0100, and figure 6 – step 612, and associated text).

McClain also teaches a trusted server **410** in communication with a mobile communication device **402**, wherein there is "information stored at the trusted server for the user" (see at least ¶ 0097). McClain's trusted server **410** is therefore equivalent to Kirkland's transaction verification server **730** in connection to identity profile database **740**. Additionally, McClain's trusted server **410** communicates verification to the transaction terminal based on the conditional limitation:

- g. *if remote identification data is communicated from the identifying device which sufficiently matches the stored authentication data associated with the user account for which verification is requested* (see figure 6 – step 610 and associated text).

Therefore, it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to include in the method of Kirkland the conditional verification as taught by McClain since the claimed invention is merely a combination of

old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

20. Regarding the additional limitations of claim 39, which recite communicating a transaction terminal ID with the identification data, see Kirkland's discussion of "location information" in ¶ 0083-0086.

21. **As per claim 2**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

h. *denying the transaction at the transaction terminal if the remote identification data does not sufficiently match the stored authentication data* (see Kirkland, ¶ 0090).

22. **As per claim 3**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

i. *executing a default action stipulated by a profile if the remote identification data does not sufficiently match the stored authentication data* (see McClain, figures 7-8 and associated text).

23. **As per claim 4**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

j. *approving a transaction at the transaction terminal in response to the verification* (see Kirkland, ¶ 0090).

24. **As per claim 5**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

k. *communicating transactional information from the processing system to the user via the identifying device* (see Kirkland, figure 9 and associated text).

25. **As per claim 6**, Kirkland/McClain discloses the limitations of claim 5, as described above. Kirkland/McClain, further, discloses the limitations:

l. *enabling the user to disapprove the transaction in response to the transactional information* (see Kirkland, figure 9 and associated text).

26. **As per claim 8**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

m. *generating a profile* (see Kirkland, figures 5-6 and associated text).

27. **As per claim 9**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

n. *disapproving the transaction in response to determining a preprogrammed profile entry designating the transaction* (see Kirkland, figure 6 and associated text).

28. **As per claim 10**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

o. *initiating an action selected from a group of actions, each action associated with at least one profile, the group consisting of: selecting a type of the remote identification, selecting the identifying device, determining a characteristic pertaining to the transaction, an action based on the characteristic*

*pertaining to the transaction, an action based upon an amount of money involved in the transaction, an action based upon a time of the transaction, an action based upon a user preference, an action based upon a system preference and some other action based upon a programmatic rule (see Kirkland, figure 6 and associated text).*

29. **As per claim 13**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

*p. communicating the request for remote identification further includes prompting input used to select at least one of the identifying device and a type of the remote identification data (see McClain, ¶ 0094).*

30. **As per claim 14**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

*q. wherein communicating the request for remote identification further includes automatically determining at least one of the identifying device and a type of the remote identification data according to a particular of the transaction (see Kirkland, figure 6 and associated text).*

31. **As per claim 15**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

*r. communicating the request for remote identification data to the identifying device includes communicating the request for remote identification data to an identifying device selected from a group consisting of at least one of: a cellular*

*telephone, a pager, a personal digital assistant, a global positioning receiver and a hand held device (see Kirkland, at least ¶ 0012).*

32. **As per claim 17**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

s. *retrieving the stored authentication data from a memory remote from the processing system (see Kirkland, figure 7 and associated text).*

33. **As per claim 18**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

t. *receiving the remote identification data includes receiving live capture data (see McClain, ¶ 0034 and ¶ 0069).*

34. **As per claim 19**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

u. *receiving the remote identification data includes retrieving stored data from memory (see McClain, figure 6 – step 610 and associated text).*

35. **As per claim 20**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

v. *communicating the remote identification data from the identifying device to the processing system (see McClain, figure 6 – step 606 and associated text).*

36. **As per claim 21**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

w. *wherein communicating the identifying data further includes authorizing the transaction if the identifying data is communicated within a predetermined transaction time period* (see Kirkland, figure 6 and associated text).

37. **As per claim 22**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

x. *communicating the identifying data further includes denying the transaction if the identifying data is communicated outside of a predetermined transaction time period* (see Kirkland, figure 6 and associated text).

38. **As per claims 24 and 25**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

y. *communicating the verification further includes communicating remote identification data selected from a group comprising: a token, a password, a biometric record and proximity data descriptive of a location of the identifying device* (see McClain, ¶ 0034 and ¶ 0069).

39. **As per claim 28**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

z. *disapproving a transaction at the transaction terminal in response to the verification* (see Kirkland, figure 9 and associated text).

40. **As per claim 29**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

aa. *temporarily disabling the transaction verification method* (see McClain, ¶ 0114).

41. **As per claim 30**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

bb. *storing the stored authentication data in association with a second account* (see McClain, figure 11 and associated text).

42. **As per claim 31**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain, further, discloses the limitations:

cc. *storing the remote identification data as updated stored authentication data in response to a sufficient match* (see McClain, figure 6 and associated text).

43. Claims 7, 11, 12, 16, 23, 26, and 27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kirkland/McClain, in further view of Liu et al. (U.S. 2003/0101134 A1) ("Liu").

44. **As per claim 7**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain does not specifically disclose the following limitations:

dd. *assigning a plurality of persons to the user account in addition to the user, wherein the plurality of users have at least some access to the user account.*

Liu, however, does disclose the limitations:

ee. *assigning a plurality of persons to the user account in addition to the user, wherein the plurality of users have at least some access to the user account (see figure 7 and associated text).*

Therefore, it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to include in the possible accounts of Kirkland/McClain the multiple-user account as taught by Liu since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

45. **As per claims 11, 12, 16, 23, 26, and 27**, Kirkland/McClain discloses the limitations of claim 1, as described above. Kirkland/McClain does not specifically disclose the following limitations; Liu, however, does disclose the limitations:

ff. *wherein the request for remote identification data does not reach the identifying device, communicating the request for remote identification to a second identifying device (see figure 2, figure 7, and associated text);*

gg. *communicating the request for remote identification data effectively simultaneously to a plurality of remote identification devices (see figure 2, figure 7, and associated text);*

hh. *communicating remote identification data from a delegate authorized to act on behalf of the user (see figure 2, figure 7, and associated text);*



- ii. *authorizing the transaction if the identifying data is communicated within a subsequent period outside of the predetermined transaction time period* ("asynchronous") (see figure 2, figure 7, and associated text);
- jj. *communicating the verification only if remote identification data is communicated from multiple users* (see figure 2, figure 7, and associated text);
- kk. *communicating the verification only if remote identification data is communicated from a percentage of multiple users* (see figure 2, figure 7, and associated text).

Therefore, it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to include in the transaction approval system and method of Kirkland/McClain the various account features as taught by Liu since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

46. The Examiner has pointed out particular references contained in the prior art of record within the body of this action for the convenience of the Applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply. Applicant, in preparing the response, should consider fully the entire reference as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the Examiner.

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47. Regarding the conditional elements in the claims (see *e.g.* claim 1 which recites “communicating verification... if remote identification data... matches the stored authentication data...”), they too have been considered. However, Applicants are reminded that optional or conditional elements do not narrow the claims because they can always be omitted. See *e.g.* MPEP §2106 II C: “Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. [Emphasis in original.]”

### **Conclusion**

48. The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure.

- ll. Goldthwaite et al. (U.S. 2004/0019564 A1) discloses a system and method for payment transaction authentication;
- mm. Wang (U.S. 2003/0004827 A1) discloses a payment system;
- nn. “The Bank Credit Card Business”, 1996, published by the American Bankers Association.

49. Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the Examiner should be directed to Jacob C. Coppola whose telephone number is (571) 270-3922. The Examiner can normally be reached on Monday-Friday, 9:00 a.m. - 5:00 p.m. If attempts

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to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Andrew Fischer can be reached at (571) 272-6779.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, please contact the Electronic Business Center (EBC) at (866) 217-9197 (toll-free).

/Jacob C Coppola/  
Examiner, Art Unit 3621  
June 28, 2008

/ANDREW J. FISCHER/  
Supervisory Patent Examiner, Art Unit 3621